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36.25.110 MINIMUM RENTAL RATES

- (1) All leases on agricultural lands shall be continued or made upon a crop share rental basis of not less than one-fourth of the annual crops to the state or the usual landlord's share prevailing in the district, whichever is greater. For purposes of this rule, a district means the county or counties where the leased lands are located. The board may approve special crop share rentals of less than one-fourth as per 77-6-501, MCA.
- (2) The department may authorize a lease or license upon a basis other than cropshare. In those cases the rental shall at least equal the value of the usual landlord share prevailing in the district.
 - (a) Such accommodations may occur only once during the term of the lease unless changes in crops are contemplated.
 - (b) Such rental rate consideration may only be approved by the director upon proper written application by lessee or licensee.
- (3) The rental rate for all grazing leases and licenses shall be on the basis of the animal-unit-month (AUM) carrying capacity of the land to be leased or licensed. The minimum annual rental rate per AUM is the weighted average price per pound of beef cattle on the farm in Montana as determined by the Montana Agricultural Statistics Service of the U.S. Department of Agriculture (USDA NASS) for the previous year, multiplied by:
 - (a) 8.13 in calendar year 2012;
 - (b) 8.72 in calendar year 2013;
 - (c) 9.3 in calendar year 2014;
 - (d) 9.89 in calendar year 2015; and
 - (e) 10.48 in 2016 and all calendar years thereafter.
- (4) A lessee may nominate to the department a tract of land containing grazing acres to be placed into a nonuse category.
 - (a) In order to qualify for the nonuse category:
 - (i) the nomination must be for the entire or remaining portion of a lease term, and the lessee must agree that no livestock use shall occur during that time; and
 - (ii) the grazing lands must be intermingled with agricultural acres in the tract, or otherwise possess characteristics which prohibit livestock use.
 - (b) All nominations are subject to review and approval by the department. If the nonuse is approved by the department, beginning in 2013 the annual rental rate charged for the grazing acres shall be one-half the amount calculated under (3), and shall become effective in the next billing cycle.
- (5) The department shall appraise and reappraise the classified grazing lands and grazing lands within classified forest lands under its jurisdiction in accordance with 77-6-201, MCA, to determine the carrying capacity.
 - (a) Such determination shall be made from time to time as the department considers necessary, but at least once during the term of every lease or license.
 - (b) Appraisal records shall be maintained in the department's files.
- (6) Summer following shall not entitle any lessee or licensee to a refund or reduction of the rental. The lessee or licensee shall pay a rental price equal to:
 - (a) the rental price for the entire year when a lease or license term begins after February 28 but before July 1 during the first year of the lease or license; or

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- (b) the rental price equal to half of the yearly annual rental when the lease or license term begins after June 30 but before February 28 of the next year.
- (7) A lessee or licensee who grazes the stubble of harvested crops or hayland, or who grazes unharvested or damaged crops or hayland, shall contact the department regarding payment for such grazing on classified agricultural land.
 - (a) The department shall determine the number of animal unit months of grazing available on the land and shall bill the lessee or licensee for the grazing use based on the minimum grazing rental established under 77-6-507, MCA.
 - (b) Failure or refusal to pay the rental or to notify the department of such grazing may be cause for cancellation of the lease.
- (8) All other leases of class 4 land, other than cabinsite leases and agriculture and grazing leases, shall be based on a determination of fair market value made by the department. This determination and a record of the determination shall be made at least once during the term of every lease.

History: 77-1-106, 77-1-209, 77-6-502, MCA; IMP, 77-1-106, 77-1-201, 77-1-202, 77-1-208, 77-6-201, 77-6-501, 77-6-502, 77-6-504, 77-6-507, MCA; NEW, 1987 MAR p. 17, Eff. 1/16/87; AMD, 1988 MAR p. 73, Eff. 1/15/88; AMD, 1995 MAR p. 1047, Eff. 6/16/95; TRANS, 1996 MAR p. 2384; AMD, 2001 MAR p. 22, Eff. 1/12/01; AMD, 2001 MAR p. 2030, Eff. 10/12/01; AMD, 2010 MAR p. 1293, Eff. 5/28/10; AMD, 2011 MAR p. 2641, Eff. 12/9/11.